Transportation Infrastructure Revenue Subcommittee and Economic and Rural Development Committee

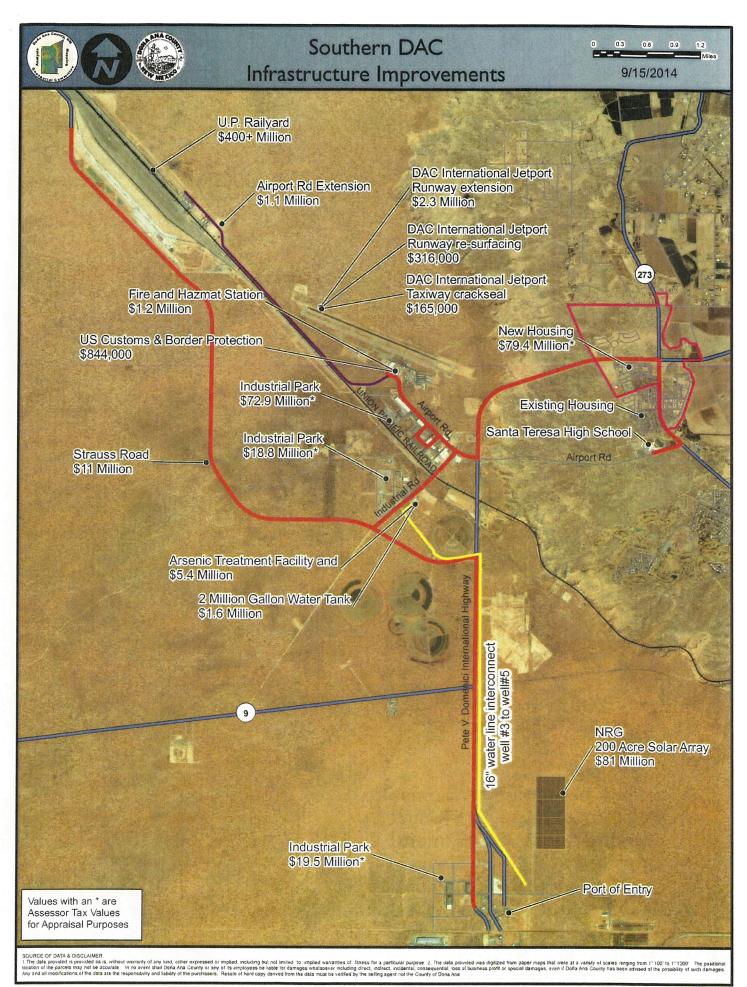


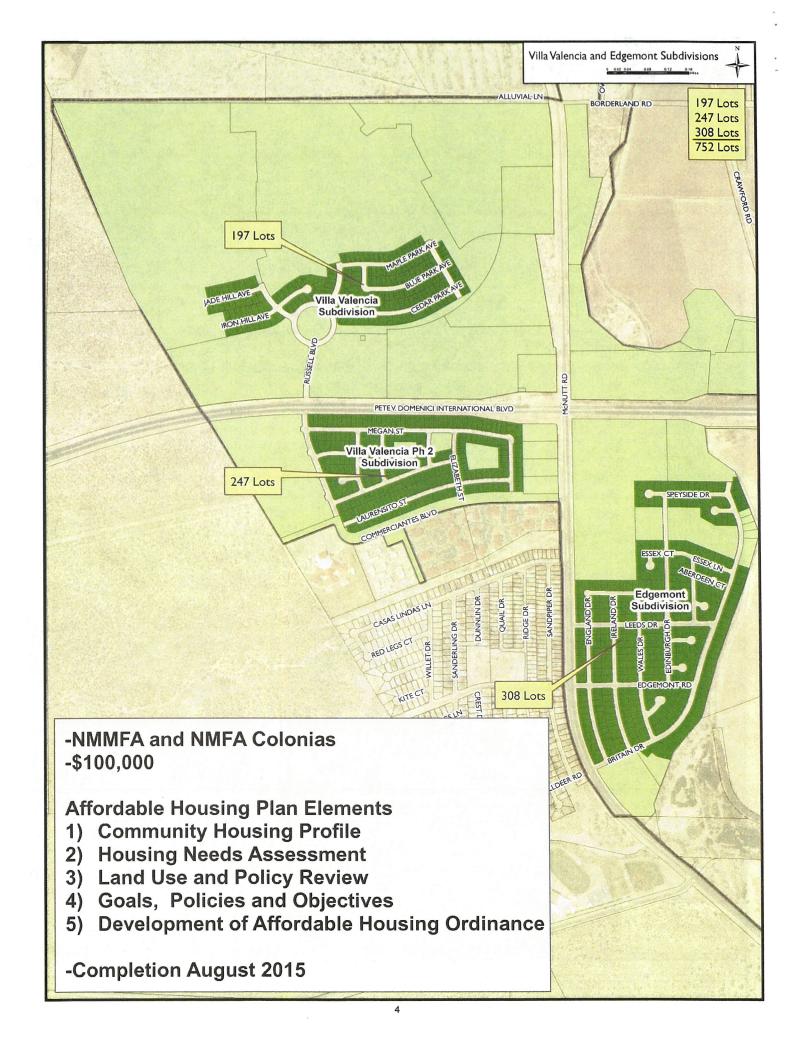
October 2, 2014
New Residents, Commuters and Industry:
Is the Road System in Doña Ana County
Up to the Challenge?
Chuck McMahon
Assistant County Manager
Doña Ana County











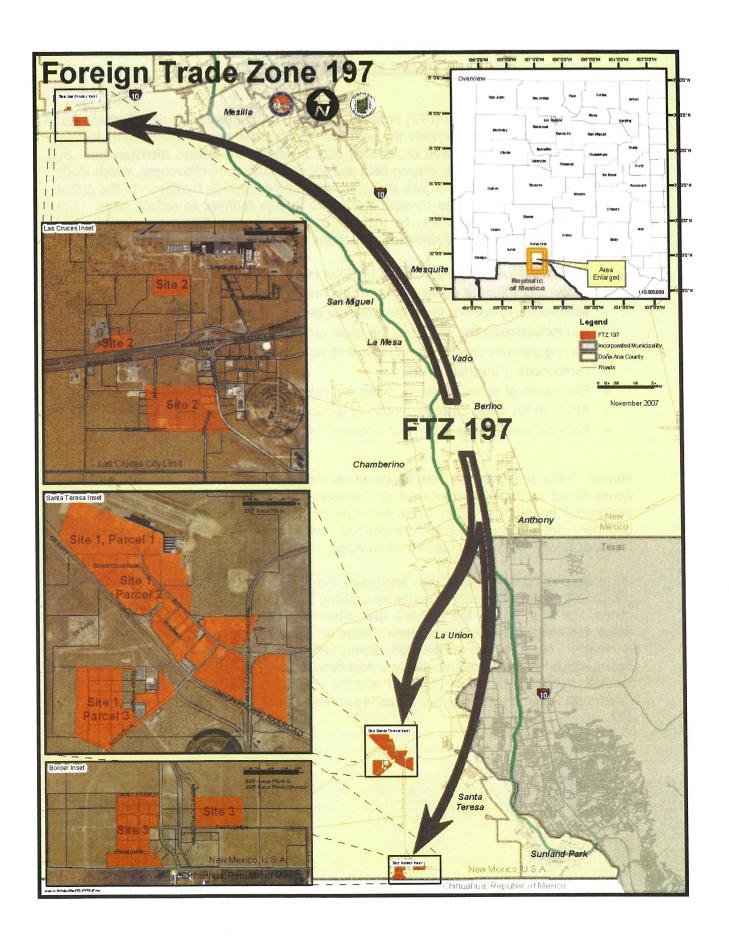
FOREIGN TRADE ZONE NO. 197

The U.S. Foreign Trade Zone (FTZ) Program encourages local economic development and business activities to help increase the value at U.S. facilities in competition with foreign alternatives by allowing delayed or reduced duty payments on foreign merchandise. By reducing costs, FTZs level the playing field and improve U.S. competitiveness, which leads to the creation and retention of jobs and greater investment in U.S. facilities. In the global marketplace, many companies consider moving to foreign facilities to reduce costs. The benefits of the FTZ program may be the competitive advantage that companies need to keep their manufacturing or distribution operations in the United States. These include:

- No duties on imported goods that are later re-exported
- Delayed payment of duties on goods that enter the U.S. market
- Manufacturing-specific benefits- with case by case approval by the FTZ Board that
 can include reduction of duties, if a lower tariff rate applies to the finished product
 leaving the zone than the tariff rates that would have been applied on foreign
 components ("inverted tariff")
- Elimination of duties on waste, scrap and rejected or defective parts
- Ability to file single customs "entry" to reduce merchandise processing fees
- Potential streamlined delivery of incoming merchandise

Foreign Trade Zone No. 197 was approved on November 26, 1993 by the Foreign Trade Zones Board of the US Department of Commerce for site specific parcel locations with designated boundaries within Doña Ana County (Grantee). Over the years, this FTZ boundary designation has slightly expanded, but is now limited to three specific site locations totally 1,407 acres (see attached map).

Currently, the County/Grantee has applied to the FTZ Board to expand the boundaries of our Zone to include the entire County by applying for the Alternative Site Framework (ASF) option. Once approved, the ASF will streamline the FTZ application process and make it easier for companies to receive Zone Status at a fraction of the cost and time frame. Generally, a company can receive Zone Status within 30 days or less at no cost to the FTZ Board, which now takes 4-6 months at a cost between \$4,000 to \$6,500 to process without the ASF. With the approval of the ASF and the opening of the Union Pacific Santa Teresa Intermodal Ramp, the County is anticipating an increase of Users/Operators within FTZ No. 197.



<u>Doña Ana County International Jetport at Santa Teresa</u>

The Doña Ana County Airport is approximately 30 years old. The original justification for the Airport was a reliever for the El Paso International Airport but the objective of the development was to support the commercial/industrial growth of southern Doña Ana County with an emphasis on international trade. The original airport was a 5500 foot runway; this was extended in 1996 to 8500 feet and was again extended in 2011 to 9549 feet to serve not only the present needs but also the future needs of the Airport.

The Airport is home to over 115 aircraft ranging from an ultralight "powered parachute" to more than 15 multi-million dollar corporate jets. In the last ten years 16 new hangars have been constructed on the Airport with a total of about 30 corporate and private leaseholders.

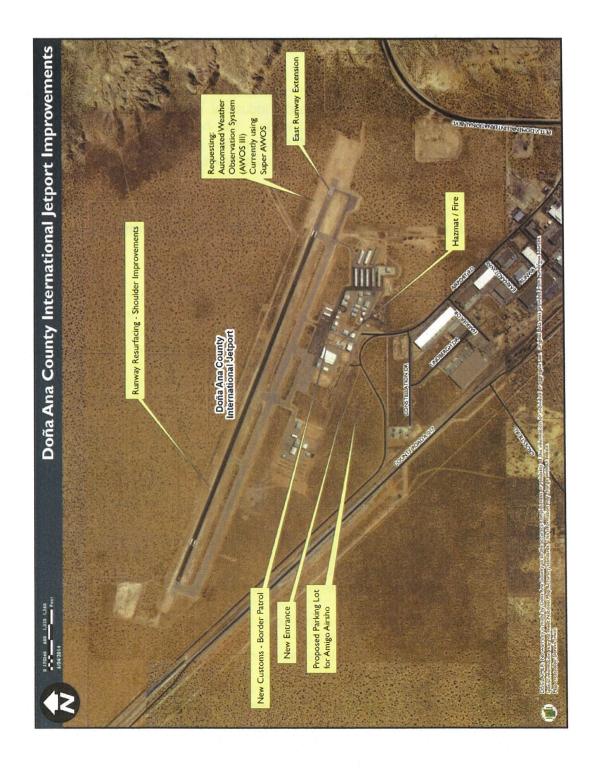
Recently completed projects:

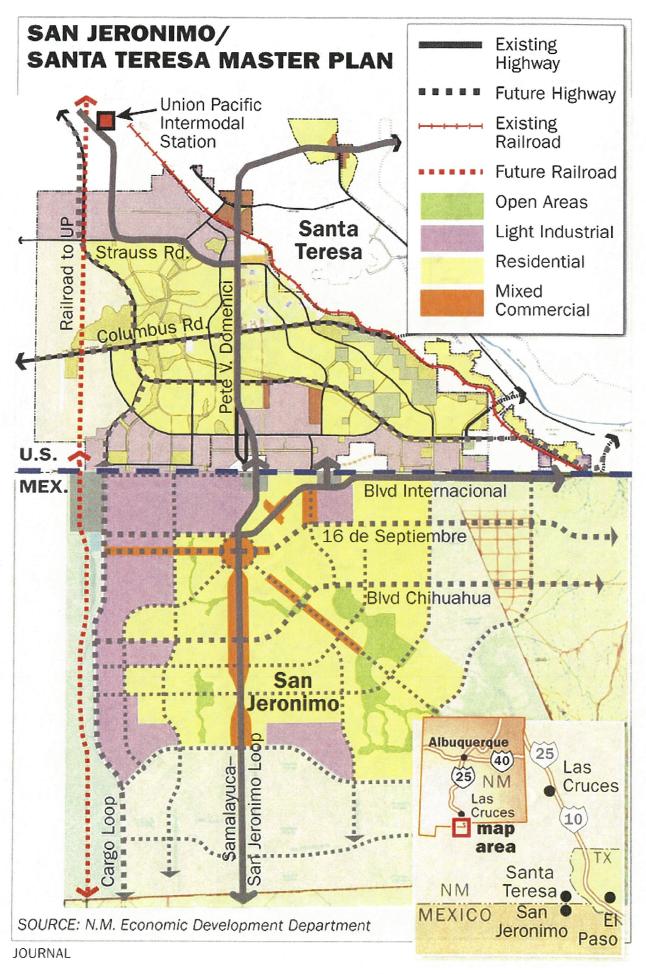
- a. Hazardous Materials/Fire Station where the County Hazmat response vehicle is stored. This building also includes five office spaces, including the airport manager. Incorporated in the building is the Rotating Beacon Tower.
- b. Runway 10-28 asphalt rehabilitation and Runway Safety Area improvements. (Funded by 90% FAA AIP grant, 5% State Aviation Division Matching Grant and 5% local funds). The shoulders of the runway were also repaired to protect the runway surface and improve safety for any aircraft that should depart the side of the runway at other than a designated taxiway.

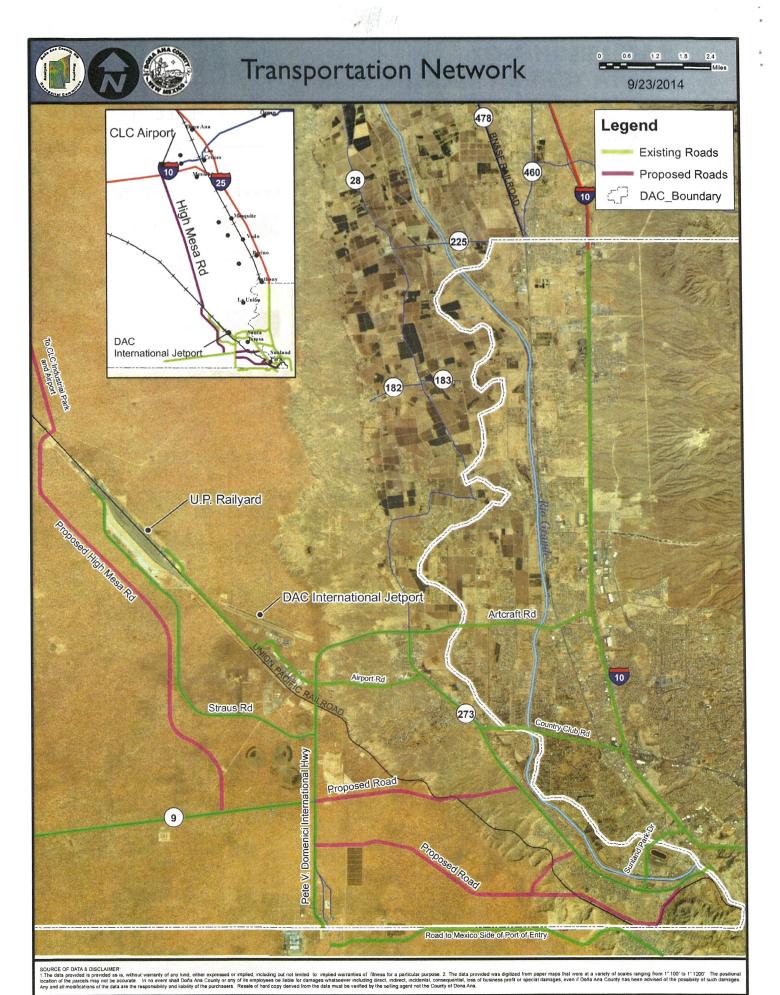
Projects that are currently ongoing include:

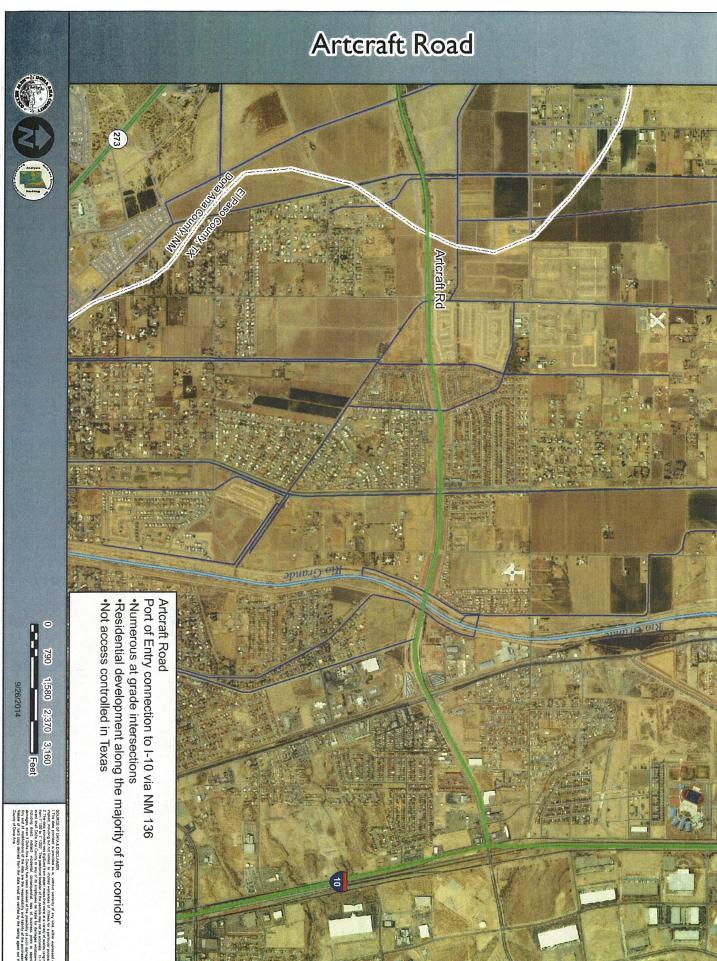
- a. Construction of a facility for use by Customs and Border Protection to clear incoming international flights. (Funded by 80% State Aviation grant and 20% local funds). This facility is nearing completion. It should open in late June or early July of this year.
- b. The rebirth of the Amigo AirSho. This is a large, multi-year project that will bring much attention to the Jetport. Two county projects in preparation for the November air show include a 60 acre parking lot and crack sealing of the parallel taxiway, which will be the parking accommodations for the US Air Force Thunderbirds.
- c. The construction of the Union Pacific Intermodal Railroad Terminal brought about a change to the Jetport entrance paid for by Union Pacific. Projects that remain to the entrance include enhancing the entrance road to accommodate larger fuel and delivery trucks and new monument sign announcing the International Jetport.
- d. Purchase and installation of an FAA approved Automated Weather Observation System (AWOS III). This will allow Fractional Ownership Corporate Jet companies to use the airport as well as freight hauling companies.

William Provance Doña Ana County Airport Manager 575-644-2358 Cell

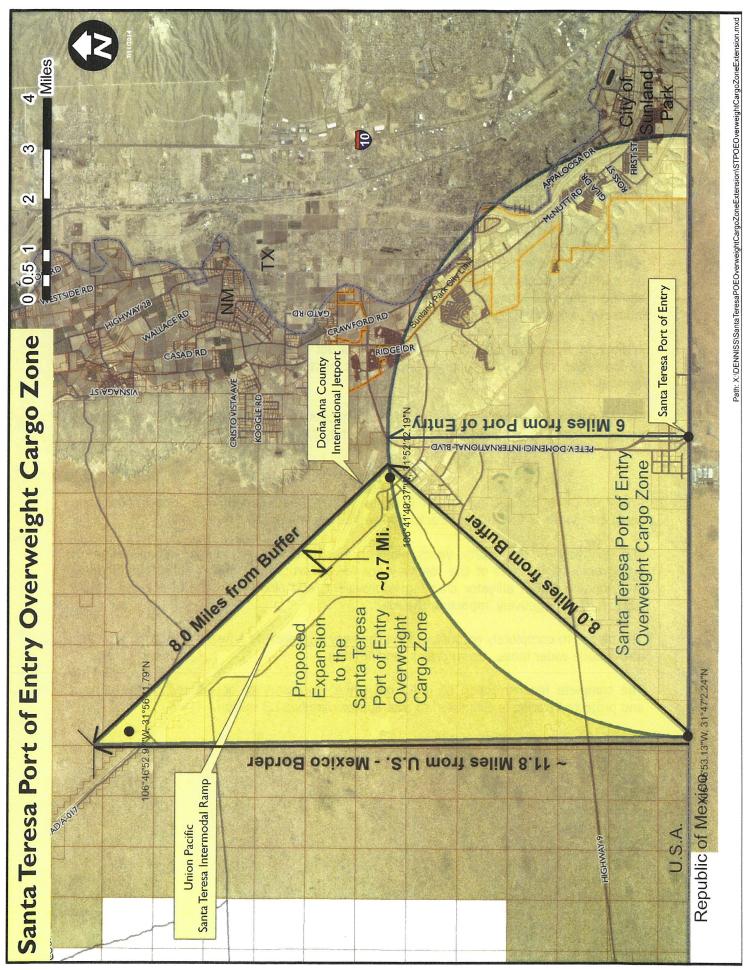








Country Club Road Country Club Road Secondary connection to I-10 from Santa Teresa •Numerous at grade intersections •Residential development along the majority of the corridor



Airport Road

Airport Road, from Pete Domenici Highway (NM 136) to the airport (approximately 1.3 miles), provides access to the Santa Teresa Industrial Park, the Doña Ana County International Jetport, the Union Pacific Railroad facility, and the National Weather Service station.

Airport Road was built during the early 1980's, prior to the development of the industrial park, and is in need of re-construction. The roadway is now within the 6-mile overweight zone, authorized in 2010, which allows truck weights of 96,000 pounds instead of the typical 80,000 pounds. Additionally, truck traffic has increased due to the construction of and now the operations of the Union Pacific Railroad facility, continued growth within the industrial park and increasing airport activity.

Preliminary design indicates the need to reconstruct the intersection at NM 136, provide a 12-foot wide center turning lane, two 12-foot wide driving lanes lighting and drainage improvements.

The complete reconstruction of Airport Road, necessary to accommodate the current and projected traffic, is estimated to cost approximately \$7.2 million.

Industrial Drive

Industrial Drive, connecting Airport Road to Strauss Road, serves as a critical connection north and south of the railroad tracks and serves two major industrial parks.

The roadway is over forty years old and has not had any major rehabilitation or improvements. Portions of the roadway are failing structurally and is subject to flooding and ponding water, alligator cracking is prevalent, and also within the 6-mile overweight zone, further negatively impacting the road.

The plan is to completely reconstruct the roadway and provide a heavy-duty road structure and include wider lanes, storm drains, and lighting.

The complete reconstruction of Industrial Drive, necessary to accommodate the current and projected traffic, is estimated to cost approximately \$2.3 million.

